United Nations A/60/418

General Assembly

Distr.: General
6 October 2005

Original: English

Sixtieth session
Agenda items 121 and 122

Financial reports and audited financial statements, and reports of the Board of Auditors

Review of the efficiency of the administrative and financial functioning of the United Nations

Measures to strengthen accountability at the United Nations

Contribution made by the Department of Management to the improvement of management practices and time-bound plan for the reduction of duplication, complexity and bureaucracy in the United Nations administrative processes and procedures

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on measures to strengthen accountability at the United Nations (A/60/312). It has also considered the report of the Secretary-General on the contribution made by the Department of Management to the improvement of management practices, and time-bound plan for the reduction of duplication, complexity and bureaucracy in the United Nations administrative processes and procedures (A/60/342). During its consideration of the reports, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. In his report on measures to strengthen accountability at the United Nations, the Secretary-General describes a number of initiatives he has undertaken or plans to undertake to strengthen the accountability framework and oversight mechanisms, as well as ensure ethical conduct and transparency.

3. Upon enquiry, the Advisory Committee was informed that the report of the Secretary-General had been prepared in June 2005 and that much of what was covered in the report would need to be dealt with in the overall context of the implementation of the 2005 World Summit Outcome document. Consequently, the

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Committee will take up these matters in greater detail when it considers the administrative and budgetary implications of the Outcome document. The Committee would also point out that it has made a number of observations on accountability in its report on the proposed programme budget for the biennium 2006-2007.[1]

4. A key element of the Secretary-General's report is his stated intention to establish a United Nations Oversight Committee in response to the request by the General Assembly in resolution 59/272 of 23 December 2004 for the establishment of a "high-level follow-up mechanism" under his authority "to effectively feed findings and recommendations" of the oversight bodies "into the executive management processes" (see A/60/312, para. 24). Although it is stated in the report that "terms of reference for a United Nations Oversight Committee have been prepared and are ready for issuance" (ibid., para. 25), the Advisory Committee notes that Secretary-General's bulletin ST/SGB/2005/18 establishing the Oversight Committee was issued on 7 September 2005. **Thus being stated, the Assembly may wish to ascertain whether or not the establishment of this Oversight Committee fully addresses the request contained in its resolution 59/272.**

5. In this connection, the Advisory Committee discussed the establishment of the United Nations Oversight Committee in some detail, including its terms of reference and membership. The Advisory Committee understands that it is intended as a mechanism for advising the Secretary-General on the follow-up and implementation of audit and oversight recommendations and that its membership is to comprise three senior Secretariat officials at a rank no lower than Assistant Secretary-General and one member who is external to the Secretariat. It was confirmed to the Advisory Committee that the independent oversight advisory committee, the establishment of which is to be discussed by Member States in the context of follow-up to the 2005 World Summit, was to be external to the Secretariat and would report directly to the General Assembly.

6. **The Advisory Committee questions the statement contained in paragraph 26 of the report of the Secretary-General on measures to strengthen accountability at the United Nations that members of the above-mentioned (internal) Oversight Committee "shall act in an independent capacity while performing their advisory role on the Committee". Paragraph 2.4 of document ST/SGB/2005/18 states that "(t)he Chairperson and the members appointed from the Secretariat may not participate in deliberations relating to matters affecting their own department or office". Nonetheless, as senior officials of the Secretariat, it may be difficult for the three internal members to act in an independent capacity. Moreover, given the Oversight Committee's small membership, any absence may have a detrimental effect on its performance. With regard to the terms of reference of the Oversight Committee, as set out in paragraph 25 of the aforementioned report of the Secretary-General, the Advisory Committee has doubts about the appropriateness of the Oversight Committee's providing advice and suggestions on the priorities, long-term strategy and annual audit workplans of oversight bodies, since this might call into question the independence of those bodies.**

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[1] See *Official Records of the General Assembly, Sixtieth Session, Supplement No. 7* (A/60/7 and Corr.1), chap. I, paras. 56-61.

7. **Moreover, in the opinion of the Advisory Committee, the terms of reference, composition and working methods of the Oversight Committee will need to be revisited in light of such decision as the General Assembly may take on the follow-up to the World Summit Outcome document.**

8. Section II of the report of the Secretary-General contained in document A/60/342 focuses on the contribution made by the Department of Management to the improvement of management practices in central support services, human resources management and budgetary and financial management during the period from January 2003 through June 2005. Initiatives cited include implementation of the automated space management and automated asset management systems, the vehicle usage system ("CarLog"), the inter-agency systems contracts initiative, the global airline agreement for United Nations organizations, funds and programmes, the United Nations global marketplace, the generic job profiles project, the development of human resources standard data reports, the enhancement of the Electronic Performance Appraisal System (e-PAS) and the Intranet support to budgeting, among others.

9. **The Advisory Committee notes that this is the first time such a report has been prepared. What is conspicuously lacking in the report is a quantification of the impact of the measures taken by the Department of Management. The Committee believes that further elaboration is required on the role of the Department in promoting improved management practices in the Secretariat as a whole. In this connection, the Committee recalls its observations in its report on the proposed programme budget for the biennium 2006-2007 concerning the importance of the management policy function.**[2]

10. Section III of the report contained in document A/60/342 was prepared in accordance with the request of the General Assembly in resolution 59/275 of 23 December 2004 that the Secretary-General develop a time-bound plan for the reduction of duplication, complexity and bureaucracy in United Nations administrative processes and procedures, including the adoption of a Secretariat-wide approach to streamlining and automating them. The report responds in part to recommendations contained in the report of the Office of Internal Oversight Services on the matter (see A/58/211), specifically on measures to automate and streamline the travel process; further automate the processes for rental subsidy, education grant and dependency allowances; identify an organization-wide application for procurement; implement an information security and data privacy policy; and implement a central project registry for computerized systems.

11. **In the opinion of the Advisory Committee, the report of the Secretary-General contained in document A/60/342 merely provides a snapshot of the current status of some of the issues identified by the Office of Internal Oversight Services, but does not present a time-bound plan. More importantly, the report does not set out how the Administration proposes to go about implementing an Organization-wide approach to overcoming duplication, nor does the report set out a mechanism for reviewing working practices and procedures. Information technology is not a solution by itself, but it can serve as a tool for the improvement of administrative processes, procedures and efficiency.**

[2] Ibid., chap. II, para. VIII.10.

12. **The Advisory Committee recommends that the General Assembly request the Secretary-General to submit a comprehensive follow-up report to the Assembly at its sixty-first session, bearing in mind the observations of the Advisory Committee in the present report.**